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C O N F I D E N T I A L SECTION 01 OF 04 RABAT 000237

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TAGS: [PHUM](#) [PGOV](#) [PINR](#) [KDEM](#) [ECON](#) [MO](#)

SUBJECT: THE OTHER MOROCCO PART 2, ECONOMICS: MISERY IN THE TREES

REF: A. RABAT 234

[1](#)B. RABAT 79

[1](#)C. RABAT 65

[1](#)D. RABAT 179

[1](#)E. RABAT 124

Classified By: Pol Couns Craig Karp for reasons 1.4 (b) and (d)

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Summary:  
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[1](#)1. (C) In February, Berbers in the snow-bound region of the Middle Atlas Mountains felt disconnected from Morocco's broader economic boom. They expressed anger at the urban-centered influence networks that they said treated their villages and raw materials like chattel, preventing communities from benefiting from their own resources. PolOff, on an extended field visit, also heard a specific allegation of high level Ministry of Interior (MOI) corruption. Villagers said that tribal economic conflicts had a sometimes destructive influence on local development abetted by authorities. Fortunately, the heaviest precipitation in 30 years, while causing some damage, is expected to sharply boost agricultural output. Despite this boon, unless the government is able to address the deeper economic and social faultlines that contribute to peoples' sense of unhappiness, its broader economic reform plans may falter. End Summary.

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The "Three Vs" and the "Two Moroccos"  
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[1](#)2. (C) The relatively new wealth of Morocco's cities and coast is exemplified by what the country's growing middle class calls "The Three Vs": Voitures (cars), Villas (newly built homes) and Visites (tourist visits to Europe and the United States). Many call it "Morocco on the Move." However, this affluence contrasts with a poverty of mud homes and subsistence living in Morocco's agricultural Middle Atlas region. Rural agriculture, dependent on weather cycles, continues to employ 40 percent of the workforce. Over two thirds of Morocco's poor live in rural areas. Illiteracy rates outside cities sometimes top 60 percent.

[1](#)3. (C) Although the wealth divide in Morocco is not new, the perception, justified or not, among Morocco's central Amazigh (Berber) peoples is that they have benefited less from recent growth than the country's predominantly Arab urban centers and coast, fueling resentment. This feeling persists despite significant and growing government expenditures in rural areas (Ref A). During a trip to the Middle Atlas Mountains from February 3-6, PolOff saw leaky roofs, sagging walls, damp, unfinished mud floors and cramped conditions. He also heard complaints of how limited government resources, exacerbated by corruption and inefficiency, hamper snow clearance and provision of emergency services leading to

hunger, anger, despair, and loss of trust. In 2008/2009, 600 homes in the Atlas Mountains collapsed and 300 people died from weather-related incidents.

¶4. (C) Thirty-four-year-old Ali Akbouch, who lives in a hamlet with no name 40 kilometers outside the Middle Atlas town of Khenifra, loves books, making him a rarity in his largely illiterate area. This past winter, Morocco's worst in 30 years, he recounted during a visit to his home, he had to burn some of his books to stay warm. As a result of water damage from rain and snow, he will have to destroy his home and rebuild it in the spring, if it does not collapse on him first. Other than subsistence farming, day laboring, or illegal emigration to Europe, Akbouch said he and his thirty neighbors have few options for work. According to Akbouch, they live on the equivalent of one USD a day.

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Decentralization's Promise: Weaken the Center, Strengthen the Whole  
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¶5. (C) King Mohammed VI, having publicly stated that Morocco's old, security and influence-based system of governance was no longer economically or politically sustainable, launched a series of mutually reinforcing reforms predicated on the belief that increased economic opportunity would lead to broader popular political stability and satisfaction; and vice versa. Among these reforms is a flagship decentralization plan that is designed to give regions room for more independent economic initiatives, and improve their ability to meet local citizens' needs, without

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upsetting national unity. However, Lahcen Oulhaj, former college classmate of the King and Dean of the School of Law and Social Sciences at Rabat's Mohammed V University, explained that while the theory behind the decentralization initiative was sound, execution was not. "People at the other end of the chain must feel like they have a say in the economic decisions that affect their lives and we are not there yet."

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Trees, Tribes and Trouble  
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¶6. (C) The village of Tikajouin lies nestled at the foot of some of the Middle Atlas Mountains' tallest and most scenic cedar-covered peaks. A mere 19 kilometers from a main route, on February 3 the village of 3,000 residents had been mostly cut off from the rest of Morocco for almost three months because local authorities had not cleared the road of snow. PolOff's vehicle had to be towed eight kilometers into town by a tractor. Upon arrival, the village's isolation and poverty, and its residents' desperation, became immediately evident. Slushy raw sewage ran through muddy streets, which were lined with empty shops, aimless adults and children not in school.

¶7. (C) Villagers sitting in a bare tea shop vented frustration at the perfidy of neighboring fellow Amazigh tribes who practiced "economic warfare" against them. They also cursed the Casablanca-based "Mafia" that they said exploited their tribal cedar resources without providing any benefit. In many conversations during the trip, both literally and figuratively, Casablanca seemed to represent a distant, wealthy, and predatory "Arab" Morocco. The tea shop group said that the closed road had made it difficult for the village to get supplies and food, and warned of incipient hunger.

¶8. (C) One man pointed in the direction of nearby tree-covered slopes saying, "There is enough wealth there to feed this village, but we can't touch it." Others explained that parts of Moroccan law, which they said were based on old

French colonial codes, gave their tribe usage rights to the resources within a defined area. However, through bribery and manipulation of permits and laws, "powerful interests" from Fes, Rabat and Casablanca (Morocco's traditional Arab power centers) had managed to secure cutting rights and block the tribe's attempts at subsistence harvesting. "We know these forests and would use them with respect, but the 'Arabs' cut and move on." Villagers did not, however, have an idea of how much wealth the timber actually represented. They simply knew that they were not benefiting from its potential and not participating in decisions on its use.

¶9. (C) "Don't let anyone tell you otherwise," a man said ruefully, "tribalism is very strong here." Residents accused the central government, Caids (local Ministry of Interior officials) and local municipal councils of playing tribes against each other to keep them from organizing for rights and services. The villagers of Tikajouine were in a several-years-long dispute with their neighboring tribe over access to a weekly market in a nearby town. The market was in a different commune (county) and tribal area, and the other tribe prevented Tikajouin's farmers from driving there on market day, sometimes with road blocks and fists, in order to preserve their economic monopoly. Tikajouin residents were forced to travel almost 80 kilometers to another market, raising their transport costs and prices. They claimed the Caid in the nearby town looked the other way because he received bribes and a cut of the sales at the market.

¶10. (C) Village elders led PolOff through the snow to eight homes that had collapsed after recent rains, which had also overfilled a shallow sewage trench. "This is our reality," an old woman said. However, in a reflection of the "two Moroccos'" contradictions, there was cellular and Blackberry coverage during the entire visit, reaching where food and government services did not. After an MOI official spotted PolOff, a snow plough arrived, having cleared the three month's worth of blockage from the main road into the village. However, authorities did not in any way interfere the visit.

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How The Resource Scam Works: High Level Corruption  
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¶11. (C) Ahmed Mazouzi (strictly protect), a Rabat based notary and professional mediator at the non-profit National Center for Mediation (strictly protect) explained that the

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MOI has sole and unsupervised authority to issue tribal leases to third parties to exploit natural resources in tribal territory. A legally stipulated portion of royalties and profits are mandated to be set aside in trust accounts, again managed by the MOI. By law, proceeds are to be used for local development projects within the community affected by the tribal lease. However, Mazouzi said, "Much of the money goes to senior MOI officials," and also to local councilors and corrupt tribal leaders. He said this practice is pervasive nationally. Mazouzi singled out a particular MOI official by name, known to the Embassy, but we have no independent verification of his allegations. This official was recently moved into a position where he has little authority at the Ministry.

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Micro Credit Debt Bubble About to Burst?  
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¶12. (C) Tikajouine residents complained bitterly about debt repayment notices they were receiving linked to micro-loans they had taken out from a variety of community lenders set up by the government or private banks. Comments alternated between anger at banks for threatening borrowers over non-payment and frustration with borrowers for taking out new loans to pay old loans. With no effective national credit

reporting system, Moroccan banks have little ability to track individuals' debt loads. Tikajouine leaders said that financially illiterate farmers have no real understanding of loans and "borrow into the abyss" during lean times, such as this past winter. The need to borrow was given impetus by the difficulty in grazing livestock in snow-covered fields. Two hundred and twenty head of cattle and sheep died this past winter in Tikajouine from exposure, starvation and illness. Interlocutors said that this micro-credit debt issue was pervasive in the area.

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Civil Society Plays a Role  
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¶13. (C) In the town of Tounfite, an extremely lively meeting with two women's organizations on February 5 focused on requests for assistance in accessing international markets for handmade goods such as Berber carpets and handicrafts. Women are the key drivers behind much of the economic development in the area - a fact discussed with Tounfite's Caid (Ref A). Unlike in Tikajouine, the people of Tounfite focused on wanting to work rather than wanting assistance. They complained that there was not one saw mill or furniture factory to employ villagers in the heavily forested region saying, "Everything goes to Casablanca."

¶14. (C) PolOff encountered a pervasive and somewhat self-defeating culture of governmental dependence (Ref A). However, civil society organizations, although maligned for being too numerous and micro-focused, are playing an important and evolving role in sparking and channeling communities' nascent sense of self development. Local NGO leaders sought technical assistance and training, particularly in organizational management and project execution.

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Rains A Mixed Blessing  
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¶15. (C) PolOff visited the area at the height of Morocco's heaviest rain and snowfall in almost 30 years. The three months of cold and rain colored opinions and gave the whole region a drenched and hangdog feel. In marked contrast to the glee that first greeted the rains after 10 years of drought, farmers in the Khenifra province expressed fear that their fields would be too soggy to plant. Forage for the fat and satisfied looking livestock wandering the region abounded, but vegetables and crops were scarce because roads were washed out, preventing farmers from taking goods to market. There were many flooded fields. Villagers said that the precipitation was good for the water table, but the active rains had adversely affected wells and drinking water with silt and sewage overflow. The normally well maintained main roads along PolOff's route were cratered with erosion potholes and often blocked by mudslides. However, nationally, the overall outlook for the agricultural sector is bright (Ref D and E). Mohammed Antra, Chief of Staff to the Governor of the Beni Mellal District, told PolOff that water tables were at record levels, reservoirs were full and planting was proceeding apace. He expected a banner year, although he also expressed significant worry about the cost of repairing weather-related damage to infrastructure.

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Antra, who grew up in the area, added that friends he had not seen in years were returning to the Beni Mellal from the cities because they expected agricultural employment prospects to improve due to the rain.

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Comment:  
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¶16. (C) Success of rural economic development will depend in

large part on how citizens and local officials' translate plans into effective programs. However, the web of entrenched, monopolistic interests, relationships and influence that has governed the mountain economy for so long will be difficult to break. Effective decentralization and more equitable resource management will require a fundamental reordering of often corrupt power structures, and the development of technical skill sets that are currently often lacking in largely illiterate and uneducated rural populations. End Comment.

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